Federal Communications Commission 445 12th Street, S.W. Washington, D.C. 20554

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DA 05-1032

Released: April 7, 2005

DOMESTIC SECTION 214 APPLICATION FILED FOR ACQUISITION OF ASSETS OF GLOBAL CROSSING TELECOMMUNICATIONS, INC., GLOBAL CROSSING LOCAL SERVICES, INC., GLOBAL CROSSING TELEMANAGEMENT, INC., AND GLOBAL CROSSING TELEMANAGEMENT, LLC, BY MATRIX TELECOM, INC.

## STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 05-159

Comments Due: April 21, 2005

Reply Comments Due: April 28, 2005

On March 21 2005, Matrix Telecom, Inc., ("Matrix"), Global Crossing Telecommunications, Inc. ("GC Telecommunications"), Global Crossing Local Services, Inc. ("GC Local"), Global Crossing Telemanagement, Inc. ("GC Telemanagement") and Global Crossing Telemanagement, LLC ("GC LLC") (collectively, "GC") (together with Matrix, "Applicants"), filed an application pursuant to sections 63.03 and 63.24 of the Commission's rules¹ requesting authority to transfer certain assets of GC to Matrix.²

Applicants assert that this transaction is entitled to presumptive streamlined treatment pursuant to section 63.03(b)(2)(i) of the Commission's rules because immediately following the transactions, (1) Matrix will hold less than a 10% share of the interstate, interexchange market; (2) Matrix will provide local exchange service in areas served by dominant local exchange carriers, none of which is a party to the proposed transaction; and (3) none of the Applicants or their affiliates is dominant with respect to any service.<sup>3</sup>

<sup>&</sup>lt;sup>1</sup> 47 C.F.R. §§ 63.03, 63.24; see 47 U.S.C. § 214.

<sup>&</sup>lt;sup>2</sup> Applicants have also filed for transfer of control related to international section 214 authority. Any action on this domestic section 214 application is without prejudice to Commission action on other related pending applications.

<sup>&</sup>lt;sup>3</sup> 47 C.F.R. § 63.03(b)(2)(i).

GC Telecommunications is a corporation organized under Michigan law. GC Local is a Delaware corporation. GC Telemanagement is a Wisconsin corporation. GC LLC is a Virginia limited liability corporation. GC Telecommunications has global authority to provide resold and facilities-based international telecommunications services. GC Local, GC Telemanagement and GC LLC provide local exchange services throughout the United States and do not hold international 214 authority.

Matrix is a corporation organized under Texas law, and is a non-dominant carrier authorized to provide international and domestic telecommunications services. Matrix is whollyowned by EnergyTRACs Acquisition Corp., a U.S. corporation. Platinum Equity, LLC, also a U.S. corporation, owns 100% of EnergyTRACs Acquisition Corp. Tom T. Gores, an American citizen, owns 100% of Platinum Equity, LLC.

On March 19, 2005, GC Telecommunications and Matrix entered into an Asset Purchase Agreement under which Matrix will purchase from GC certain assets and assume certain liabilities relating to GC's Small Business Group, which provides voice and data products to small and medium-sized businesses throughout the United States. The assets included in the transaction consist primarily of the Small Business Group customer base. Upon consummation of the proposed transaction, Matrix will serve the Small Business Group customer base, and GC will continue to provide service to those customers not previously served by its Small Business Group. Accordingly, post-consummation, GC will retain its authorizations to provide domestic interstate and international telecommunications services. The Applicants do not anticipate any change to the rates, terms or conditions of service to Small Business Group customers as a result of the transaction.<sup>4</sup>

The Applicants state that the proposed transaction will serve the public interest by promoting competition in the domestic and international telecommunications market. Post-consummation, Matrix will strengthen its competitive position by combining GC's Small Business Group customer base with Matrix's current services, products and expertise. The proposed transaction also will free GC's resources to focus on its core global information services customers and invigorate its service to these customers. Moreover, Applicants state that approval of the transfer will permit Matrix to realize significant economic and marketing efficiencies, which will allow it to compete more effectively in the telecommunications market. Accordingly, the Applicants state the proposed acquisition will benefit consumers through improved services and lower rates, thereby promoting competition in the telecommunications market.

## **GENERAL INFORMATION**

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective

<sup>&</sup>lt;sup>4</sup> The parties will notify each affected customer as least 30 days in advance of consummation of the pending transaction to ensure a smooth transition from GC to Matrix.

and not in conformance with the Commission's rules and policies. Interested parties may file **comments on or before April 21, 2005** and **reply comments on or before April 28, 2005**. Unless otherwise notified by the Commission, Applicants are permitted to transfer the stock and related control on the 31<sup>st</sup> day after the date of this notice. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 Fed. Reg. 24121 (1998).

Comments filed through the ECFS can be sent as an electronic file via the Internet to <a href="http://www.fcc.gov/e-file/ecfs.html">http://www.fcc.gov/e-file/ecfs.html</a>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send e-mail to ecfs@fcc.gov, and should include the following words in the subject line "get form <your e-mail address>." A sample form and directions will be sent in reply.

Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). The Commission's contractor, Natek, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, S.W., Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

## In addition, one copy of each pleading must be sent to each of the following:

- (1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, <a href="https://www.bcpiweb.com">www.bcpiweb.com</a>; phone: (202) 488-5300 fax: (202) 488-5563;
- (2) Tracey Wilson-Parker, Competition Policy Division, Wireline Competition Bureau, 445 12th

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<sup>&</sup>lt;sup>5</sup> See 47 C.F.R. § 63.03(a).

<sup>&</sup>lt;sup>6</sup> Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

- Street, S.W., Room 5-C212, Washington, D.C. 20554; e-mail: <u>tracey.wilson-parker@fcc.gov</u>;
- (3) Adam Kirschenbaum, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C211, Washington, D.C. 20554; e-mail: adam.kirschenbaum@fcc.gov;
- (4) Terri B. Natoli, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C234, Washington, D.C. 20554; e-mail: <a href="mailto:terri.natoli@fcc.gov">terri.natoli@fcc.gov</a>;
- (5) Susan O'Connell, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-B544, Washington, D.C. 20554; email: <a href="mailto:susan.o'connell@fcc.gov">susan.o'connell@fcc.gov</a>; and
- (6) James Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: james.bird@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail <a href="https://www.bcpiweb.com">www.bcpiweb.com</a>.

For further information, please contact Tracey Wilson-Parker, at (202) 418-1394, or Adam Kirschenbaum at (202) 418-7280.